

## **Minutes of the Finance Committee**

**Wednesday November 19, 2003**

Chair Haukohl called the meeting to order at 8:45 a.m. and led the committee in the Pledge of Allegiance.

**Present:** Supervisors Pat Haukohl (Chair), James Behrend, Donald Broesch, Joseph Griffin, Joe Marchese, and Bonnie Morris. **Absent:** Supervisor Genia Bruce. Supervisor Broesch arrived at 8:52 a.m.

**Also Present:** Legislative Policy Advisor Mark Mader, Principal Programmer Analyst John Zur, Director of Public Works Richard Bolte, Project Manager Dennis Cerreta, Administrative Services Manager Russell Kutz, Business Manager Tom Koth, Collections and Business Services Manager Sean Sander, Corporation Counsel Tom Farley, Treasurer Pam Reeves, Sr. Financial Analyst Clara Daniels, Sr. Financial Analyst Andrew Thelke, Building Operations Manager Mark Keckheisen, Risk Manager Laura Stauffer, Budget Manager Keith Swartz, Senior Budget Analyst Michael Baniel, Chief of Staff Allison Bussler, Director of Health and Human Services Peter Schuler and Office Services Coordinator Windy Jicha.

### **Approval of the Minutes of October 20, 2003**

**MOTION:** Marchese moved, Morris second, to approve the minutes of October 20, 2003. **Motion carried:** 5-0.

### **Approval of the Minutes of October 27, 2003**

**MOTION:** Griffin moved, Behrend second, to approve the minutes of October 27, 2003. **Motion carried:** 5-0.

### **Discuss and Consider the Contract Procurement Process for the Web Content Management Application Development #0354 and Capital Project #200101 Awarded to Merant Inc.**

Zur said this contract was awarded to Merant Inc. for the Web content management application development. The total contracted amount is \$226,579.59 with the first year expenditures budgeted at \$200,000. The actual first year cost will be \$155,179.59 which includes hardware based on a MS/SQL database configuration. Ten RFPs were sent out while six proposals were received. The award of the contract to Merant Inc. was based on mandatory requirements and hardware. Merant Inc. scored very low on experience of staff because when the RFP was scored, the county had not received staff resumes from the company. The resumes have since been received from Merant Inc.

**MOTION:** Behrend moved, Griffin second, to approve the Contract Procurement Process for the Web Content Management Application Development #0354 and Capital Project #200101 Awarded to Merant Inc. **Motion carried:** 5-0.

Supervisor Broesch arrived at 8:52 a.m.

### **Discuss and Consider Ordinance 158-O-104: Amend Capital Project 200108 – Justice Facility**

**MOTION:** Behrend moved, Broesch second, to approve Ordinance 158-O-104: Amend Capital Project 200108 – Justice Facility.

Bolte distributed two handouts on the construction budget of the Justice Facility. He is recommending a change in the allocation of funds within the project but not the total budget itself. This ordinance amends Capital Project 200108 – Justice Facility by increasing the construction line by \$397,116 to \$28,437,116 and decreasing the contingency line by \$397,116 to \$1,902,884. This would allow us to award the security electronics contract. They had budgeted \$2.3 million in a contingency fund which is actually a

8.2% contingency fund because of the size of construction project. This is the largest construction project taken on by the county. The larger contingency fund was set up as protection against budget overruns and unforeseeable situations. We are confident that if we transfer these funds it won't jeopardize the construction funds. The remaining contingency will be \$1,900,000 which is 6.7% of the total budget and is higher than is usually budgeted for construction projects. Bolte said this ordinance does not change the premise of the project. If we can't award this contract to Accurate Controls we will compromise some of the features that we want to put into this project.

Marchese said he is not happy that this ordinance is coming before the board. They should have budgeted appropriately for all construction items. Bolte said when they started bidding on this project, they thought the bidding environment was a lot more competitive. They were expecting lower costing bids. Marchese said he is going to be watching this project very carefully.

**ON THE MOTION: Motion carried: 6-0.**

### **Executive Committee Report**

Haukohl said the committee heard a legislative update from Dave Krahn. The committee reviewed and discussed Ordinance 158-O-104. The committee also heard an update on the Transportation Forum.

### **Schedule Next Meeting Date**

- Wednesday, December 10, 2003 at 8:45 a.m.

### **Announcements**

Griffin said he attended the Transportation Forum last week. He didn't feel that it was an awesome interaction. It was a good discussion between Finley and Busalacchi but there were not any new revelations on the transportation issue. Specialized transportation for handicapped was a central theme, i.e., state is financially supportive. North/south roads need attention, specifically Highway 83, and vastly improved (high speed) metro train service – Chicago to Milwaukee at a high cost, and linkage to Madison.

Marchese thanked the committee for doing a fantastic job while he was out of town. He also thanked them for the committee members' responsibility in the 2004 budget.

### **Discuss and Consider Ordinance 158-O-106: Appropriate Additional State of Wisconsin Funding in the Waukesha County Department of Health and Human Services**

**MOTION:** Behrend moved, Morris second, to approve Ordinance 158-O-106: Appropriate Additional State of Wisconsin Funding in the Waukesha County Department of Health and Human Services.

Kutz said this ordinance appropriates additional state revenue totaling \$399,400. This amount includes \$75,000 from State Community-Based Medicaid Administrative Claims, \$150,000 from the State General Relief Block Grant and \$174,400 from State Youth Aids. The ordinance modifies the 2003 Health and Human Services – Human Services Fund budget by appropriating the additional state revenue of \$399,400 to cover expenses estimated to be over budget \$399,400 by year-end. The HHS staff project personnel costs to exceed budget appropriations by \$95,000 due to greater full time salary and benefit costs than budgeted. These personnel costs above budget are mostly related to lower than budgeted vacancy turnover savings and a 0.4% increase of \$45,000 in required Wisconsin Retirement System contribution rate above the level assumed in the budget. HHS staff also estimate Mental Health Outpatient medication costs to exceed budget by \$130,000. The HHS staff estimate the Birth to Three Program expenditures for contracted services to exceed budget by \$49,400 reflecting the newly established contract with LSS that limits county financial participation to no more than the state required maintenance of effort.

**ON THE MOTION: Motion carried: 6-0.**

**Modify the Health and Human Services Budget: Fund Transfer from Long Term Care Fund (Fund 310) Operating Expenses to Mental Health Center Fund (Fund 350) Personnel Costs and Operating Expenses**

Kutz said the 2003 operating expense budget appropriation unit in the Long Term Care-Development Disabilities Program is anticipated to be under budget by at least \$210,600. This is due to lower than anticipated placements in the State Mental Health Institutes. The department had budgeted 408 days of care in 2003 but are anticipating that the actual institute days will be 68 days for disabled clients. The 2003 operating expense budget appropriation unit in the Mental Health Center is anticipated to be over budget by \$210,600 as the Mental Health Center is experiencing an increase in days of care and admissions. Operating expenses are estimated to be above budget by \$141,500 and include contracted psychiatric services of \$39,200, third party purchased contract nursing services of \$47,300 and higher medication costs of \$55,000. The 2003 personnel cost in the Mental Health Center is estimated to be over budget by \$69,100. The Mental Health Center is experiencing increases in on-call temporary, extra-help nursing and psychiatric technicians due to the increased admissions and related employee scheduling requirements involved in running a 24-hour operation. Also, the full time salaries and temporary extra help budget have been impacted due to extended regular full time employee medical leave coverage.

**MOTION:** Behrend moved, Griffin second, to approve modifying of the Health and Human Services Budget: Fund Transfer from Long Term Care Fund (Fund 310) Operating Expenses to Mental Health Center Fund (Fund 350) Personnel Costs and Operating Expenses. **Motion carried: 6-0.**

**Modify the Health and Human Services Budget: Fund Transfer from Public Health Personnel Costs to Operating Expenses**

**MOTION:** Broesch moved, Behrend second, to approve modifying the Health and Human Services Budget; fund transfer from Public Health Personnel costs to Operating Expenses.

Kutz said the 2003 personnel costs budget appropriation in the Public Health is estimated to be under budget by \$157,000 at year-end primarily due to approximately 2.0 FTE Public Health nurse vacancies and related turn over savings across multiple Public Health Programs. The 2003 operating budget appropriation in the Public Health Division is estimated to be over budget by \$62,700 due to the Public Health Preparedness Grant operating expenses and vaccine costs exceeding budget. The funding for Public Health Preparedness Grant was originally appropriated in 2002. The state carried forward funding from 2002 to the 2003 calendar year, however, the county's operating expense appropriations were not requested to be included in the carryover ordinance to reappropriate state funding. The department needs an additional \$42,900 to complete the grant activities. Vaccine costs are expected to exceed the budget by \$24,300 due to greater than budgeted flu and immunization clinic client utilization. These above budgeted vaccine costs are partially offset by fee revenues exceeding the budget by \$15,000.

Thelke said on the back sheet of the fund transfer the \$42,900 should read \$38,400. These numbers were transposed in the fund transfer documents.

**ON THE MOTION: Motion carried: 6-0.**

**Discuss and Consider Ordinance 158-O-105: Amend the County Code to Increase Huber Board Fees**

**MOTION:** Behrend moved, Morris second, to approve Ordinance 158-O-105: Amend the County Code to Increase Huber Board Fees.

Koth said this ordinance amends the Section 6-33 of the Waukesha County Code by increasing Huber board fees. The current daily board rate charge plus a 5.1% sales tax is \$18 per day. This rate will be increased by \$.50 to a rate of \$18.50. The daily rate board charge, net sales tax, will increase from \$17.13 to \$17.60 per day which is an increase of \$.47 per day. Koth said the sales tax will be charged according to an inmate's length of stay. This change in the costs becomes effective January 1, 2004. The Sheriff's Department is anticipating a favorable annual net revenue impact of \$32,250 attributed to this daily rate increase.

**ON THE MOTION: Motion carried: 6-0.**

**Discuss and Consider Approval of Contract Process for the Internet Payment RFP #0357.**

Sander said the contract for Internet Payment Acceptance and Non-Internet Payment/Credit Card Processing was awarded to cboss Internet. Seven proposals were received for this contract and cboss Internet was given the highest rating of all submitted proposals. The total contract cost is \$342,450 with first year contract costs of \$48,000. \$342,450 is the cost of the bid over three years. The county went through extensive negotiations to get to the end cost which is not listed on the contract procurement process checklist because of transaction fees for electronic checks and credit card uses and customer support fees. These costs do not include \$17,500 for IVR which would enable payments via telephone. The one time costs will be allocated to Capital Project 200101 which includes \$25,000 for the Register of Deeds development and implementation. The annual operating costs of this service will come out of the operating budget including hosting fees, transaction fees and customer support fees paid by the county. Transaction fees are estimated based on current volume. The life-cycle cost on the post-composite rating includes end-user fees, fixed fees and operating costs. As both fixed and operating costs were negotiated and end-user fees not paid by the county, the contracted amount will not match the post-composite rating costs. This issue is very complicated due to the different transaction fees.

**MOTION:** Behrend moved, Morris second, to approve the Contract Process for the Internet Payment RFP #0357. **Motion carried: 6-0.**

**Discuss and Consider Approval of Contract Process for Legal Services Contract #0357**

**MOTION:** Behrend moved, Broesch second to approve the Contract Process for Legal Services.

Farley said this contract is for as-needed legal services to be used by Waukesha County for collective bargaining purposes. The four-year hourly rate of the contract is \$849 which is the sum of the hourly rates of each contract year. Years two through four of the contract are based on a capped 4% increase.

**ON THE MOTION: Motion carried: 6-0.**

**Modify the Treasurer's Budget: Fund Transfer from Operating Expenses to Interdepartmental Charges**

Reeves said this is a correction to her budget. The Treasurer's office shares the services of a 0.25 FTE position with the Department of Administration. In the 2003 adopted budget, the costs were budgeted in operating expenses to allow the Treasurer's Office the flexibility of using the shared position or to use outside contracted services help if needed. In 2003 the full year 0.25 FTE position was processed to Interdepartmental charges account 6969 Interdept Chg – Business Office Services. Approval of this fund transfer will correct the budget appropriation. In the 2004 budget, the expense has been properly budgeted in the Interdepartmental charges appropriation.

**MOTION:** Morris moved, Behrend second, to approve modifying the Treasurer's Budget: Fund Transfer from Operating Expenses to Interdepartmental Charges. **Motion carried: 6-0.**

### **Discuss and Consider Approval of Contract Process for Janitorial Cleaning Services Contract RFP #0401**

Keckheisen said this contract was awarded to Clean Power and Metro Clean. Clean Power will take care of the Administration Center, Communications Center, DPW Highway/Fleet Shop and Radio Services while Metro Clean will care for the Mental Health Center. Metro Clean was not the highest rated vendor for the Mental Health Center, however, due to budgetary constrictions, award was made to the next highest rated vendor for this building. The award for the Mental Health Center is contingent upon HHS obtaining additional funds. All contracts are performance based and allow for positive and negative incentives. The total first year cost of the Clean Power contract is \$251,160 while the total first year cost to Metro Clean is \$101,016.

Keckheisen said a reduction for the first year cost at the Administration Center was negotiated with Clean Power to a cost of \$177,960 annually with a slight reduction in service to stay within budget. The three-year costs reflect this reduction.

**MOTION:** Behrend moved, Griffin second, to approve the Contract Process for Janitorial Cleaning Services Contract RFP #0401. **Motion carried:** 6-0.

### **Discuss 1999 – 2003 Worker’s Compensation Claims and Claims Histories**

Newcomb reviewed the 1999 – 2003 Claims History Summary. There were 63 worker’s compensation claims in 2003, as of September 30. Currently, in 2003 there are 16 open claims and \$16,099 was paid out in compensation on claims. Total expenses incurred in 2003 through September 30 include \$111,378 for medical, \$27,663 claims adjustment expenses, \$563 legal expenses, \$31,588 disability pay and \$0 for subrogation. The total incurred for 2003 through September 30 are \$187,291. Total claims filed for the time period of 1999 – 2003 are 582. Twenty-four claims remain open. There are three claims still open from 2002, three from 2001, one from 2000 and one claim open from 1999. For the reporting time period, the total incurred net subrogation is \$1,929,257.

Stauffer reviewed the itemized 1999-2003 Claims History. The history provided number of claims and number of open cases for the following categories: general liability, auto liability, auto physical damage and property damage. For the reporting period, there were 187 claims filed under general liability with 28 files still open. The total incurred for general liability was \$965,972. In 2003 through September 30, 34 claims of auto liability were filed with a total incurred of \$29,417. Seven cases remain open for this time period. There were 172 claims of auto physical damage filed for the reporting period with a total incurred of \$422,574. Sixteen of these cases remain open. \$452,177 in costs was incurred for 174 filed claims for property damage. Eleven of these cases remain open.

Griffin requested a graphic decision tree of the path a claim takes when it is filed. Stauffer said claims are filed with the County Clerk. Copies are made in that department and sent to Stauffer and Corporation Counsel. Stauffer submits the claims to the appropriate insurance companies. From there it is up to Corporation Counsel and the insurance company to decide whether or not to pay the claim.

**MOTION:** Behrend moved, Griffin second, to accept the 1999 – 2003 Worker’s Compensation Claims and Claims Histories. **Motion carried:** 6-0.

### **Discuss Bond Update for Elected Officials**

Stauffer said she is switching bond carriers because the company she normally goes with no longer offers this service. The new bond company will have the same coverage as was already approved by the committee.

### **Discuss Nine-Month General Funds Report**

Swartz said for the first nine months of 2003, actual operating expenditures for Waukesha County are \$52.2 million or 67.5% of the total general fund modified expenditure budget. Expenditures for the same period in 2002 were at \$50.0 million or 70.9% of the total revenues earned from 2002. Operating revenues received through nine months in 2003 are \$24.8 million or 76.4% of the modified revenue budget. This is compared to the first nine months of 2002 when revenues of \$22.4 million were 70.5% of the total revenues earned for 2002.

Baniel reviewed the report with the committee and pointed out highlights. In the Emergency Management budget, found in the County Executive budget, the committee can expect to see a temporary increase in revenues and expenditures due to Homeland Security Grants. Baniel expects these numbers to be increased for the next several years.

Baniel said in the Department of Administration, total year-end expenditures are estimated to be approximately \$254,800 or 4.2% below budget. Total year revenues are estimated to exceed the budget amount by \$201,400 or 25%, mainly due to state reimbursement of indirect costs of \$115,100 from state programs and higher indirect cost recoveries from enterprise funds of \$86,600. Swartz said they have discussed these numbers with Director Cummings.

Baniel said the Public Works – General will be coming before the Finance Committee before the end of the year with two fund transfers. One fund transfer will transfer project savings to cover a budget shortfall for Transit Services. The department will also need to transfer funds to cover personnel costs.

Baniel said the Circuit Court Services Guardian Ad Litem expenditures are at \$387,500 which is slightly less than the 2002 amount. The department has instituted policy changes authorized by the circuit court judges to reduce the recent increased costs incurred by the county for appointed counsel, primarily in Family Court cases. Court appointed counsel costs are greater in 2003 in the Juvenile Program by \$23,100 and Probate Court Program by \$7,700.

Baniel said the Sheriff's Department year-end revenues are estimated to be \$221,700 under the modified budget amounts. The department has experienced a decline in the Huber (work release) revenue, which is projected to result in a revenue shortfall of \$193,800. The department indicates a lower percentage of working population as a main component for this decrease.

Baniel said UW-Extension staff plans to request carryover for remaining grants appropriations and related grants revenues.

Baniel said the Parks and Land Use staff indicate that a fund transfer after the year-end may be necessary depending on the amount of overtime used in the fourth quarter necessary to handle weather related parking lot ice and snow removal. Charges for service revenues are projected to be \$145,150 below budget at year-end mainly due to the delay in the county composting operation which includes \$120,000 in municipal yard and wood waste tip fees. The compost project delay also impacts other revenue which includes a 2003 budget of \$45,000 for gravel sales royalties which will not be realized.

### **Discuss and Consider Final Report on In-Rem**

Reeves said they have set the auction date for December 12, 2003. She said property #153 tax key: NBC 1156.125 is a former homestead property in extreme disrepair. This property will most likely have to be razed by the buyer. The property has sewer and well and is located in the Elm Brook School District. The house is located on a double lot in a nice area. This house will be open for inspection before the auction. The property is appraised for \$55,000. The owners have requested any profit that exceeds the money owed to the county.

The remaining properties are remnant properties. Item #206 tax key: WACK 1340.105 is not a buildable property. Item #74 is a remnant piece of land that is land locked and has no lake access. A neighbor is interested in purchasing this property because it adjoins their backyard.

**MOTION:** Behrend moved, Griffin second, to accept the Treasurer's Final Report on In-Rem. **Motion carried:** 6-0.

#### **State Legislation Related to the Treasurer's Office**

Reeves said there is legislation coming through to allow the county to sell properties below the appraised value. If a property goes to auction and is not purchased, the county has to put it on their list of county-owned properties. The county cannot sell the property for less than it is appraised for. This legislation would allow the treasurer to come before the County Board to ask permission to ask to sell properties for less than appraised value.

Reeves outlined AB 133 which would allow taxpayers a five-day grace period for payment of property taxes. A five-day grace period would cost Waukesha County \$40,000 in revenues. The bill has been amended to change the way payment installments and interest is calculated on late payments. Currently if you pay your July tax installment late, you are charged interest on the amount back to January 31. If you pay late for the January 31 installment, you are assessed penalties for the entire amount of taxes. The amended bill provides that if you pay your January 31 tax payment late, you will be assessed penalties on the amount of that installment. If you pay your July 31 bill late, you would only pay penalties on the amount back to July 31. This bill as amended would mean a loss of funds \$374,000 for Waukesha County plus the additional cost of reprogramming tax systems. The municipalities would face the same issues as the counties if this bill passes. This bill passed through the assembly because Zieglebauer pushed it through quickly with bogus informational packets. Treasurers statewide figure a loss of \$4 to \$5 million plus the costs of reprogramming tax systems. The Treasurers may have to do some compromising and settle with a three-day grace period and no reprogramming of the tax systems.

**MOTION:** Broesch moved, Behrend second, to oppose AB 133 *as amended* and to refer the bill to the Executive Committee for referral to the county lobbyist for action. **Motion carried:** 6-0.

Reeves briefly reviewed AB 544. This bill requires a county, after it acquires real property that was the former owner's homestead at any time during the five years previous to the county acquiring the property by taking a tax deed, to send to the former owner the share of the proceeds to which the former owner is entitled. Under the bill a written request would no longer be required. Because this bill has no dramatic fiscal impact on the county, Haukohl said the committee will keep an eye on this bill and monitor its progress.

#### **Motion to Adjourn**

**MOTION:** Marchese moved, Griffin second, to adjourn the meeting at 2:40 p.m. **Motion carried:** 6-0.

Respectfully submitted,

Joseph F. Griffin  
Secretary